

Child Care Provider Loan Forgiveness Demonstration Program Fiscal Year 2001

CATEGORY	FFEL/DL
Purpose of the program	This demonstration program is intended to bring more highly trained individuals into the early child care profession and to retain those providers for longer periods of time.
Borrower eligibility requirements	<ul style="list-style-type: none"> • Be a new borrower as of October 7, 1998. • Have received an associate or bachelor's degree in early childhood education. • Have worked full-time for two consecutive years as a provider in an eligible child care facility that serves a low income community.
Eligible loans	<p>An eligible loan:</p> <ul style="list-style-type: none"> • Includes only a loan made after October 7, 1998 to a new borrower under the subsidized and unsubsidized Federal Stafford Loan, Direct Subsidized Loan, and Direct Unsubsidized Loan programs (<u>does not include</u> PLUS and Consolidation loans); and • Is a loan that a borrower received before beginning qualifying service and for the purpose of completing the borrower's degree in early childhood education or child care.
Amount of forgiveness	Up to 100 percent of a borrower's outstanding balance.
	<p>The program forgives:</p> <p>20 percent following the first two consecutive years of service;</p> <p>20 percent following three consecutive years of service; and</p> <p>30 percent following each of the fourth and fifth consecutive years of service.</p>
Definition of new borrower	A borrower who has no outstanding balance on a Direct Loan or FFEL program loan (includes Plus and Consolidation loans) as of October 7, 1998, or had no outstanding balance on a Direct or FFEL program loan on the date the borrower initially obtained a loan after October 7, 1998.
Definition of early childhood education	Education in the areas of early child education, child care, or any other educational area related to child care that the Secretary determines appropriate.
Definition of child care facility	A facility, including a home, that provides child care services and meets State or local government licensing, certification, or registration requirements.
Low-income community	A community in which at least 70 percent of the children receiving child care at the facility are from families that do not earn more than 85 percent of the State median household income.
Prevention of double benefits	A borrower may not receive benefits for the same child care service under the National Community Service Act of 1990 (AmeriCorps) and this demonstration program.
How to apply	<p>To receive an application or a forbearance form, you may call the Child Care Provider Loan Forgiveness support desk toll free at 1-888-562-7002. You may also write to the Child Care Provider Loan Forgiveness Program, P.O. Box 4639, Utica, NY 13504-4639. In addition, free internet access to the application and forbearance forms are available, in Adobe Portable Document Format at the following site:</p> <p style="text-align: center;">http://www.ed.gov/studentaid</p>
Application deadline for forgiveness	Applications for the loan forgiveness demonstration program must be received no later than September 17, 2001.

